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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/901,962	07/10/2001	David Sacks	PAY00-004	7249
22200 7590 03/07/2007 PARK, VAUGHAN & FLEMING LLP 2820 FIFTH STREET DAVIS, CA 95618			EXAMINER KARMIS, STEFANOS	
			ART UNIT	PAPER NUMBER
			3691	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		03/07/2007	PAPER	

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/901,962

Applicant(s)

SACKS, DAVID

Examiner

Stefano Karmis

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 December 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 and 23-31 is/are pending in the application.
- 4a) Of the above claim(s) 20,21 and 23-31 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. The following communication is in response to Applicant's amendment filed 11 December 2006.

Status of Claims

2. Claims 1-4, 19-21, 23-26, 28 and 29 are currently amended. Claims 1-21 and 23-31 are currently pending.

Election/Restrictions

3. Newly submitted amended claims 20, 21 and 23-31 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons:

4. Restriction to one of the following inventions is required under 35 U.S.C. 121:

- I. Claims 1-19, are drawn to a method of processing an electronic payment from a payor to a third party, wherein the connection between the payor and payee is terminated and funds are transferred.

- II. Claims 20, 21 and 23-31 are drawn to a method of processing an electronic payment from a payor to a third party, wherein the buyer registers with the system and communicates with a pre-existing seller in a specific manner and notifies the system of a desire to transfer a value wherein the connection between the payor and payee is terminated and then again reconnected before to transferring funds.

Inventions I and II are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination is separately usable. In the instant case, subcombination II has separate utility such as registering the buyer into the system with a pre-identified existing seller, including the manner in which communication takes place between the buyer and seller, and the manner in which a connection between the buyer and seller are connected and then re-connected prior to a transferring funds, whereas Invention I terminates a connection between a buyer and seller and then actually transfers funds. See MPEP § 806.05(d). Further evidence exists that these claims have separate utility since Applicant admits that they are taught by a Patent Number 7,089,208 assigned to the Applicant instead of in the instant application, see remarks (page 4, paragraph III).

The examiner has required restriction between subcombinations usable together. Where applicant elects a subcombination and claims thereto are subsequently found allowable, any claim(s) depending from or otherwise requiring all the limitations of the allowable subcombination will be examined for patentability in accordance with 37 CFR 1.104. See MPEP § 821.04(a). Applicant is advised that if any claim presented in a continuation or divisional application is anticipated by, or includes all the limitations of, a claim that is allowable in the present application, such claim may be subject to provisional statutory and/or nonstatutory double patenting rejections over the claims of the instant application.

5. Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution

Art Unit: 3691

on the merits. Accordingly, claims 20, 21 and 23-31 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

Claim Rejections - 35 USC § 112

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 1 and 19 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Regarding newly amended claims 1 and 19, the phrase “at the third party, facilitating generation of a link to the third party for placement in a data page served by the payee” renders the claim indefinite. With respect to claim 1, it is not clear why a link is generated because the link is never used throughout the claim. Furthermore it is unclear as to what constitute “facilitating generation of a link.” A third party may for instance, facilitate generation of a link at the third party by merely providing information to a payee on how access to a third party should occur. For examination purposes, “facilitating generation of a link” only requires that the third party provide information to the payee in an effort to allow communication with said third party.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3691

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ogram U.S.

Patent 5,822,737 in view of Mhoon U.S. Patent 6,477,578 in further view of Keathley et al.

(hereinafter Keathley) U.S. Patent 6,247,129.

Regarding claims 1 and 19, Ogram teaches a method of processing an electronic payment from a payor to a payee at a third party, comprising: facilitating generation of a link to the third party for placement in a data page served by the payee (column 6, lines 5-35 and column 2, lines 45-51); receiving at the third party a first connection from the payor, wherein a second connection between the payor and the payee is terminated when said first connection is received (column 4, line 64 thru column 5, line 24) and electronically transferring funds from the payor to the payee (column 6, lines 43-59). Ogram teaches that the payor has a credit card account and that the processing center associated with the credit card server (column 5, lines 25-33).

Ogram fails to teach creating an account if one does not exist. Mhoon teaches a system and method for conducting secure transactions in which the customer transmits information to the bank in order to create and gain access to an account for banking transactions (column 7, line 44 thru column 8, line 11). It would have been obvious at the time of the Applicant's invention to modify the teachings of Ogram and include the account creation of Mhoon because an account establishes payor information and is required for transferring funds. Furthermore, both Ogram and Mhoon teach connecting to a third party transaction processing center when performing transactions.

Ogram teaches that the payment processing computer have access to necessary information and handle linkage (column 4, lines 51-53). Ogram fails to teach that the facilitating of a generation link is done at the third party. Keathley teaches a secure electronic commerce employing integrated circuit cards in which a user browses a merchant website, selects an item to purchase, wherein the merchant then sends a payment gateway certificate (column 5, lines 51-67). Keathley teaches that the payment gateway is a logical entity that provides electronic commerce services to the merchants to support authorization and capture of electronic transactions (page 3, paragraph 14-19). Furthermore, Keathley teaches that payment instructions are not reviewed by merchants but is instead forwarded to the payment gateway (column 6, lines 3-17). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon to include facilitating generation of a link as taught by Keathley because it supplies the merchant with information on how to communicate with the payment gateway, needed for processing transaction when the seller clicks on the link and gains access to a payment gateway.

Claim 2, wherein said first connection is initiated when the payor activates said link while accessing the data page (page 4, line 64 thru column 5, line 4 and column 6, lines 5-35).

Claim 3, wherein said facilitating comprises: receiving a connection at the third party from the payee; receiving one or more details of a possible electronic transaction between the payee and a payor that accesses the data page; and generating said link, wherein said link is

Art Unit: 3691

configured to initiate said first connection and terminate said second connection when activated instructions (column 5, lines 15-21 and column 6, lines 17-22).

Claim 4, wherein said facilitating comprises: providing the payee with required parameters for said link; wherein said link is configured for use on a payee computer system during said second connection to initiate said first connection and terminate said second connection (column 2, lines 56-65 and column 4, lines 51-56).

Claim 5, wherein further comprising receiving, with said first connection, details of an electronic transaction between the payor and the payee (column 5, lines 15-21 and column 6, lines 17-22).

Claim 6, wherein said details include a network address to forward the payor to after said funds are electronically transferred (column 5, lines 11-56).

Claim 7, wherein said details include a network address to forward the payor to if the payor cancels said electronic transfer of funds (column 6, lines 17-22).

Claim 8, wherein said details include an identifier of a payee account with the third party (column 4, lines 27-37).

Claim 9, Ogram in view of Mhoon fails to teach redirecting the payor to a network address identified by the payee. It would have been obvious to one of ordinary skill in the art and the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include redirecting payors to a network address identified by the payee because the payee may require certain transactions parameters or that transactions be carried out at specific websites.

Claim 10, wherein said creating comprises: receiving a unique identifier of the payor; and receiving payment mechanism information from the payor (column 4, lines 27-50).

Claims 11 and 12, Ogram in view of Mhoon fails to teach that the unique identifier is an electronic mail address or a telephone number. Official Notice is taken that the use of electronic mail addresses and phone numbers for identification is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include such unique identifiers because they are common ways to identify and authenticate a user logging onto a network and performing a financial transaction.

Claim 13, wherein said payment mechanism is a credit card (column 2, lines 11-15).

Claim 14, wherein said payment mechanism is a debit card (column 2, lines 11-15).

Claim 15, wherein said payment mechanism is a bank account (column 2, lines 11-15).

Claims 16 and 17, Ogram in view of Mhoon fails to teach maintaining a shopping cart at the third party for the payor wherein said shopping cart is configured to track the payor's transactions with multiple payees. Official Notice is taken that shopping carts are old and well known in the financial/computer arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include a shopping cart because it allows for easier purchase of multiple products when entering the product information to purchase.

Claim 18, Ogram in view of Mhoon fails to teach that the account is identified with an electronic mail address. Official Notice is taken that the use of electronic mail addresses identification is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include an email address identifier because it is a common way to identify and authenticate a user logging onto a network and performing a financial transaction.

Response to Arguments

10. Applicant's arguments with respect to claims 1-19 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

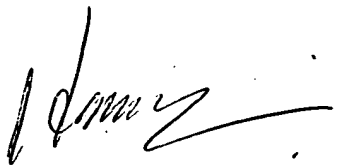
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

Art Unit: 3691

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alex Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted
Stefano Karmis
28 February 2007



HANI M. KAZIMI
PRIMARY EXAMINER